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25% of European Businesses Set to Thrive in Post-COVID Digital Economy, Reveals Adobe and London School of Economics Research

Comprehensive 'New Era In Experience' report identifies the digitisation and leadership traits required for a number of business archetypes to thrive in the post-pandemic business landscape

17 March 2021, LONDON, UK — New research from Adobe and the London School of Economics (LSE) has revealed that 25% of European companies are set to digitally thrive in the post-COVID economy. Based on initial insight of 300 CIOs in the UK, France and Germany, subsequent in-depth interviews with European business leaders, and the LSE's long-running SME management practices, the New Era In Experience study depicts how the three business archetypes of **Thrivers, Hiders, and Survivors** are approaching digital transformation and technology investment during COVID-19:

- **Thrivers (25% of brands)** represent the most successful category. During the pandemic, they increased digital investment, changed organisational structures, adjusted business processes to get products and services to market faster, and reported a 20% increase in employee productivity – citing an increased focus on employee well-being and the ability to work remotely as key drivers of this uplift. This resulted in Thrivers reporting a lower revenue impact during the pandemic when compared to Survivors and Hiders, with 45% experiencing a revenue drop, at an average decrease of 15%.
- **Hiders (40% of brands)** reduced technology and innovation spend during 2020, but maintained enough investment to remain competitive in the short-term, ultimately emerging in 'status quo' position. Two-thirds (66%) of Hiders suffered a revenue drop, with an average decrease of 35%.
- **Survivors (35% of brands)** got by on the bare minimum, making the most dramatic and 'reactionary' spending cuts during the pandemic, while their leadership is the most cautious and also disconnected from day-to-day business activity and customer interaction. They suffered the largest financial impact, with 70% experiencing a revenue drop, at an average reduction of 50%.

"The financial impact of the COVID-19 pandemic was far-reaching and widespread," said Dr. Alexander Grous, London School of Economics. "By taking a more proactive digital approach in responding to the pandemic and adopting progressive leadership traits, Thriver organisations were clearly able to offset downward pressure on revenue, while also putting themselves in the best possible position for future business success."

Leadership revealed as primary barrier to success during pandemic



Of the businesses surveyed, over half (55%) saw senior management decision-making, internal buy-in and a lack of digital strategy as their biggest barriers to digital transformation during the pandemic. This was followed by increased cybersecurity security concerns (45%), and worries over the complexity and compatibility of legacy systems (40%). In terms of what was the top driver of digital transformation, 90% believed that the Cloud was the key enabler.

Traits that will ensure leaders thrive during New Era In Experience

By identifying the key digitalisation trends and management practices for the business archetypes during the pandemic, the research also revealed the shared characteristics of leaders within Thriver brands. These traits act as a blueprint for those companies Surviving or Hiding to prosper when society and the economy begin to re-open. Thriver leaders are found to be:

1. **Hands-on and open to change:** The New Era requires a new breed of leadership that is visible, accountable, adaptable and invests in innovation.
2. **Build organisational culture around trust:** The New Era has transformed the employer and employee relationship into a culture now built on trust, empowerment, and autonomy.
3. **Adopt rapid decision-making:** The New Era is fast-paced and unpredictable – every part of the business must work together, in real-time, to meet customer needs, and be ready to adapt to whatever change may come next.
4. **Enable continual learning/upskilling:** The New Era is constantly evolving and requires that those who succeed must constantly evolve too – businesses must continually look at new ways to enable their people to best meet their customers' needs with the skills required to do so.

"The world has changed and digital has become the way for people to connect, work, learn and be entertained," said Paul Robson, President, International at Adobe. "Business leaders need to embrace transparency, trust and agility to excel in this New Era, where thriving in the digital economy is a competitive requirement."

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Notes to Editors:

Examples of leaders who demonstrate Thriver characteristics

"We doubled-down on investment during the pandemic across digital, technology, and innovation, and saw a number of our customers do the same. The benefits are there: we've seen customers roll out new applications in six weeks rather than six months." **Vinod Kumar, CEO, Vodafone Business**

"Our mission is to deliver extraordinary experiences that enrich our customers' lives. The pandemic definitely created an imperative to accelerate digital retail – it's been hugely important for us, and the decisions about digital have sped up significantly," **Rich Corbridge, CIO, Boots**

"We're a retail company where the basis of interfacing with the client is physical. COVID-19 forced us to think through our whole business and ask 'what are we going to do if this continues?'. COVID-19 was the catalyst to our thinking and it removed all resistance to rapid, across-the-board, digital transformation." **John Rigas, Executive Chairman, Asprey**

"If anything, COVID-19 has lit a fire under our feet. Our marketers are very articulate about what they need and, because we have the right infrastructure in place, we can power that fast." **Kelly Hungerford, Director of Digital Transformation Strategy and Services, Sunstar**

Research Methodology



This report encompasses pre-and-during pandemic activities across B2B and B2C brands, including insights from CIOs in 300 large French, German and UK enterprises; over 20,000 interviews with SME managers globally with research that started in 2007 and continued throughout 2020. LSE also engaged with big four digital and technology consultancies in the EU. Research results includes brands across sectors, size and regions, ongoing deep engagement with enterprise managers in the retail and finance sectors across Europe, engagement with leading digital technology providers delivering pre-and-post pandemic B2B and B2C customer solutions. It also included additional ongoing CxO engagement with large and small enterprise leaders.

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